

CORPORATE SOCIAL RESPONSIBILITY POLICY

I. BACKGROUND

With effect from April 1, 2014, every company, private limited or public limited, which either has a net worth of Rs 500 crore or a turnover of Rs. 1,000 crore or net profit of Rs 5 crore, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility activities. The CSR activities should not be undertaken in the normal course of business and must be with respect to any of the activities mentioned in Schedule VII of the 2013 Act.

II. OBJECTIVE

Corporate Social Responsibility is a way of conducting business which enables creation and distribution of wealth for the betterment of local populace, its stakeholders and society at large, through implementation and integration of ethical systems and sustainable management practices. It is actively contributing to the social and economic development of the communities in which we operate. In so doing build a better, sustainable way of life for the weaker sections of society and raise the country's human development index".

III. DEFINITIONS

"Act" shall mean the Companies Act, 2013 including any modifications, amendments or re-enactment thereof;

"Rules" shall mean the Companies (Corporate Social Responsibility Policy) Rules, 2014, including any modifications, amendments or re-enactment thereof.

"Company" shall mean Dhabriya Polywood Limited or DPL;

"CSR Committee" shall mean the Committee of the Board as constituted by the Board of Directors of "DPL" in accordance with provisions of Section 135 of the Companies Act 2013 and rules made thereon.

"Board" shall mean the Board of Directors of Dhabriya Polywood Limited

"CSR Policy" shall mean the Board approved Corporate Social Responsibility Policy of the Bank.

"Net Profits" shall mean the net profits of the Bank for a Financial Year and computed so as provided under the Act and the Rules.

Words and expressions used and not defined in the Policy shall have the same meanings respectively assigned to them in the Act and / or Rules

IV. CSR ACTIVITY

The Policy recognizes that corporate social responsibility is not merely compliance; it is a commitment to support initiatives that measurably improve the lives of underprivileged by one or more of the following focus areas as notified under Section 135 of the Companies Act 2013 and Companies (Corporate Social Responsibility Policy) Rules 2014:

- Eradicating hunger, poverty & malnutrition, promoting preventive health care & sanitation & making available safe drinking water;
- Promoting education, including special education & employment enhancing vocation skills especially among children, women, elderly & the differently unable & livelihood enhancement projects;
- Promoting gender equality, empowering women, setting up homes & hostels for women & orphans, setting up old age homes, day care centers & such other facilities for senior citizens & measures for reducing inequalities faced by socially & economically backward groups;
- Ensuring environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water;
- Protection of national heritage, art & culture including restoration of buildings & sites of historical importance & works of art; setting up public libraries; promotion & development of traditional arts & handicrafts;
- Measures for the benefit of armed forces veterans, war widows & their dependents;

- Training to promote rural sports, nationally recognized sports, sports & Olympic sports;
- Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- Contributions or funds provided to technology incubators located within academic institutions, which are approved by the Central Government;
- Rural development projects, etc.
- Slum area development.

Explanation. — For the purposes of this item, the term slum area 'shall mean any area declared as such by the Central Government or any State Government or any other competent authority under any law for the time being in force.

- Any other Projects / activities the Government may add from time to time to the Schedule VII of the Companies Act, 2013 or allow through clarifications/ Circulars.

CSR activities shall be undertaken as projects, programs of activities (either new or ongoing) excluding activities undertaken in pursuance of the normal course of business of the Company.

V. IMPLEMENTATION

The CSR Policy will be implemented from the succeeding Financial Year of every Financial Year in which the Company shows the net profits as per its audited annual financial statements. The CSR activities will be carried out directly or indirectly at the Company's office locations, in and around the areas of the projects of the Company, Group Companies, Subsidiaries and Associates of the Company (if any).

However, this shall not bar the Company from pursuing its CSR activities in any other areas. The CSR activities will be carried out / implemented, directly or indirectly, through Dhabriya Polywood Ltd. or Agency/ Agencies.

VI. SCOPE

This Policy will apply to all projects/programs undertaken as part of the Company's Corporate Social Responsibility activities and will be developed, reviewed and updated by reference to relevant codes of corporate governance and international standards of best practices. This policy is also in line with the CSR Rules (Sec. 135 of the Companies Act, 2013).

VII. THE GEOGRAPHIC REACH

The Act provides that the Company shall give preference to the local area and areas around it where it operates, for spending the amount earmarked for Corporate Social Responsibility. The Company will thus give preference to conducting CSR activities in the state of Rajasthan and Tamilnadu herein the Company has/will have its operations. However, the Committee may identify such areas other than stated above, as it may deem fit, and recommend it to the Board for undertaking CSR activities.

VIII. ANNUAL SPENDS/ALLOCATION OF FUNDS ANNUAL SPENDS/ALLOCATION OF FUNDS

The Company would spend not less than 2% of the average Net Profits of the Company made during the three immediately preceding financial years. The surplus arising out of the CSR activity will not be part of business profits of the Company. Any surplus, generated out of the CSR activities of the Company, will be ploughed back to the CSR initiatives of the Company. Any unutilized CSR allocation fund of a particular year, will be carried forward to the next financial year i.e. the CSR budget will be non-lapsable in nature.

However, if the Company ceases to be covered under sub-section (1) of Section 135 of the Act for three financial years, then it shall not be required to, comply with the provisions laid down under sub-section (2) to (5) of the said section, till such time it meets the criteria specified in sub-section (1) of the Act.

IX. CSR COMMITTEE

The Board of Directors of the Company shall constitute the Corporate Social Responsibility (“CSR”) Committee as a sub-committee of the Board, as required and in compliance with the CSR Regulations. The members of CSR Committee shall be appointed by the Board of Directors of the Company and shall consist of at least three Directors of the Company including at least one Independent Director.

The Committee will meet as and when required to discuss and review CSR activities and Policy. A quorum of two members is required to be present for the proceedings to take place. The Committee members may attend the meeting physically or via such audio visual means as permitted under the Act. The Committee shall have the authority to call such employee(s), senior official(s) and or externals, as it deems fit. The Company Secretary shall act as Secretary to the Committee.

X. CSR GOVERNANCE STRUCTURE

1. Roles and Responsibilities

The Board of Directors of the Company will be responsible for:

- a. Approval of the CSR Policy of the Company.
- b. Disclosure of the Policy in its report and placing the same on the Company website as prescribed under Section 135 of the Companies Act, 2013.
- c. Ensuring that it specifies the reasons in its report for not spending the earmarked amount in case the Company does not spend such amount during the financial year.
- d. Making any change(s) in the constitution of the CSR Committee as deemed suitable.

XI. MONITORING

The Company will institute a well-defined monitoring and evaluation mechanism to ensure that each CSR project has:

- a. Objectives developed out of societal needs.
- b. Targets, time lines and measurable parameters wherever possible.
- c. A progress monitoring and reporting framework aligned to the requirements of Section 135 of the Companies Act, 2013 and the Rules framed thereunder.

XII. REVIEW AND REPORTING

The CSR Committee will review the philanthropic activities of the Company and will provide progress update to the Board of Directors at such intervals as deemed fit. The Company will report, in the prescribed format as set out herein as Annexure, the details of CSR initiatives and activities of the Company in the Directors' Report and on the website of the Company, as required under the Regulations.

XIII. AMENDMENT

The Board of Directors on its own and/or as per the recommendations of CSR Committee can amend this Policy, as and when required as deemed fit. Any or all provisions of the CSR Policy would be subject to revision/amendment in accordance with the Act on the subject as may be issued from relevant statutory authorities, from time to time.